



Holyhead
Teach What Matters

Financial Regulations Manual

Autumn 2020

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Financial Regulations Manual

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1. Introduction

- 1.1 The purpose of this manual is to ensure that the Academy maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (ESFA).
- 1.2 The Academy must comply with the principles of financial control outlined in the Academies guidance published by the ESFA. This manual expands on and provides detailed information on the Academy's accounting procedures and system manual should be read by all staff involved with financial systems.

2. Organisation

- 2.1 The Academy has defined the responsibilities of each person involved in the administration of Academy finances to avoid duplication or omission of functions and to provide a framework of accountability for Governors and staff. The financial reporting structure is illustrated below:

The Governing Body

- 2.2 The Governing Body has overall responsibility for the administration of the Academy's finances.

The main responsibilities of the Governing Body are prescribed in the Funding Agreement between the Academy and the ESFA and the Academy's scheme of government.

The main responsibilities include:

- Ensuring the grant from the ESFA is used only for the purposes intended
- Ensuring that funds from sponsors are received according to the Academy Funding Agreement, and are used only for the purposes intended
- Review the Risk Register annually
- Approval of the annual budget
- Appointment of the Principal
- Appointment of the Vice Principal – School Business Manager

The Finance and General Purposes Committee

- 2.3 The Finance and General Purposes Committee is a committee of the Governing Body. The Finance and General Purposes Committee meets at least once a term but more frequent meetings can be arranged if necessary.

2.4 The main responsibilities of the Finance and General Purposes Committee are detailed in the written terms of reference which have been authorised by the Governing Body.

The main responsibilities include:

- The initial review and authorisation of the annual budget;
- The regular monitoring of actual expenditure and income against budget;
- The regular monitoring the monthly management accounts;
- The regular monitoring the integrated Curriculum Financial Plan;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance issued to academies
- Authorising the award of contracts over £30,000
- Authorising changes to the Academy personnel establishment
- Reviewing the reports of the Internal Auditor on the effectiveness of both financial and non financial controls. These reports must also be reported to the Full Governing Body.
- Assess the effectiveness of and resources of the external auditor to provide a basis for decisions by members about auditor's reappointment, dismissal or retendering.

The Principal

2.5 Within the framework of the Academy development plan as approved by the Governing Body the Principal has overall executive responsibility for the Academy's activities including financial activities. Much of the financial responsibility has been delegated to the Vice Principal – School Business Manager but the Principal still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the Governing Body have agreed should be approved by them
- Authorising contracts between £10,000 and £30,000 in conjunction with the Vice Principal – School Business Manager
- Signing cheques / authorising Bacs payments in conjunction with the Vice Principal – School Business Manager or other authorised signatory

The Vice Principal – School Business Manager

2.6 The Vice Principal – School Business Manager works in close collaboration with the Principal through whom he or she is responsible to the Governors. The Vice Principal - Business Manager also has direct access to the Governors via the Finance and General Purposes Committee.

The main responsibilities of the Vice Principal – School Business Manager are:

- Day to day management of financial issues including the establishment and operation of a suitable accounting system

- The management of the Academy's financial position at a strategic and operational level within the framework for financial control determined by the Governing Body
- The maintenance of effective systems of internal control
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Academy
- The preparation of monthly management accounts
- Authorising orders below £10,000 in conjunction with budget holders;
- Signing cheques / authorising Bacs payments in conjunction with the Principal or other authorised signatory
- Ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance.

The Responsible Officer / Internal Audit

2.7 The Responsible Officer (RO) or Internal Auditor is appointed by the Governing Body and provides Governors with an independent oversight of the Academy's financial affairs. The main duties of the RO or Internal Auditor are to provide the Governing Body with independent assurance that:

- The financial responsibilities of the Governing Body are being properly discharged
- Resources are being managed in an efficient, economical and effective manner
- Sound systems of internal financial control are being maintained
- Financial considerations are fully taken into account in reaching decisions

2.8 The Responsible Officer or Internal Auditor will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as lay down by the Governing Body. A report of the findings from each visit will be presented to the Finance and General Purposes Committee. Detailed guidance on the transactions to be checked by the RO or Internal Auditor is given in Appendix A of the ESFA Guidance.

Other Staff

2.9 Other members of staff, primarily the Finance Officer, Finance Assistant and budget holders, will have some financial responsibilities and these are detailed in the following sections of this manual. All staff are responsible for the security of Academy property, to avoid loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy's financial procedures.

Register of Interests

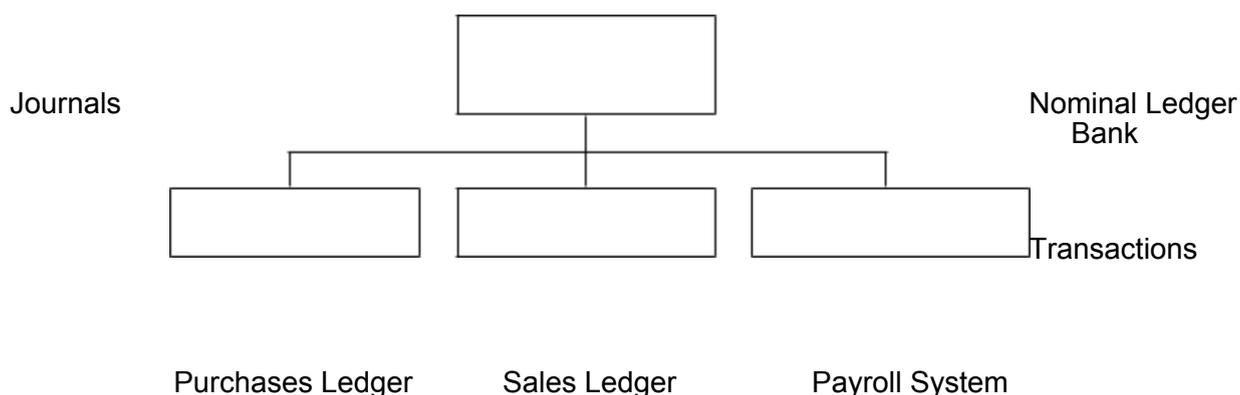
2.10 It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Academy Governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Academy may purchase goods or services. The register is open to public inspection.

- 2.11 The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a governor or a member of staff by that person.
- 2.12 The existence of a register of business interests does not, of course, detract from the duties of Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a Committee. Where an interest has been declared, Governors and staff should not attend that part of any Committee or other meeting.

3. Accounting system

- 3.1 All the financial transactions of the Academy must be recorded on the Academy's accounting system.

The FMS system is operated by the Finance Department and consists of:



- 3.2 Entry to FMS is password restricted and the IT Manager is responsible for implementing a system which ensures that passwords are changed at least every 3 months. The password must meet the following conditions:- be at least eight characters, containing at least one instance of each of the following types: letters, numbers and special characters (e.g. #_!).
- 3.3 Access to the component parts of FMS can also be restricted and the Vice Principal – School Business Manager is responsible for setting access levels for all members of staff using the system.

Back-up Procedures

- 3.4 The IT Manager is responsible for ensuring that there are effective back up procedures for the system. Backups are taken daily and are stored within our Disaster Recovery (DR) solution situated on the balcony inside the school's sports hall. The sports hall is situated in a different building to the server room which houses our servers and crucial services and as such is deemed to be off-site.

- 3.5 The FMS Server is included as part of the main school backup and is backed up on a daily basis. In an emergency a copy of the FMS Server can be made available in line with the schools disaster recovery procedures.
- 3.6 A hard copy of the nominal ledger and audit trail should be printed each month and should be stored separately from the accounting system in a fireproof container.
- 3.7 The Vice Principal – School Business Manager should also prepare an emergency management plan in the event of loss of accounting facilities or financial data. This should link in with the annual assessment made by Governors of the major risks to which the Academy is exposed and the systems that have been put in place to mitigate those risks.

Transaction Processing

- 3.8 All transactions input to the accounting system must be authorised in accordance with the procedures specified in this manual and in conjunction with the Scheme of Delegation. The detailed procedures for the operation of the payroll, purchase ledger and sales ledger are included in the following sections of the manual. Bank transactions are checked and entered onto FMS by the Vice Principal – School Business Manager.
- 3.9 Journals are input via the Vice Principal – School Business Manager or the Finance Officer and are recorded in the Journals Register.
- 3.10 Detailed information on the operation of the FMS system can be found in the user manuals held in the Finance Office.

Transaction Reports

- 3.11 The Vice Principal – School Business Manager will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The report obtained and reviewed will include:
 - Cumulative expense reports detailing expenditure at ledger code level and any likely overspends
 - Management accounts summarising expenditure and income against budget at budget holder level

Reconciliations

- 3.12 The Vice Principal – School Business Manager is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
 - Sales ledger control account;
 - Purchase ledger control account;
 - Payroll control account;
 - All suspense accounts
 - Bank balance per the nominal ledger to the bank statement.

4. Financial planning

- 4.1 The Academy prepares both medium term and short-term financial plans. The short term plan is the annual budget which is described in more detail below. The medium plan covers a period 3-5 years and is intended to confirm that the Academy will remain in a strong financial situation during that period.
- 4.2 The medium term financial plan is prepared as part of the School Improvement Planning (SIP) process. The SIP indicates how the Academy's educational and other objectives are going to be achieved within the expected level of resources over the next three years.
- 4.3 The SIP provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources for the following year.
- 4.4 The SIP planning process and the budgetary process are described in more detail below.

School Improvement Plan

- 4.5 The School Improvement Plan is concerned with the future aims and objectives of the Academy and how they are to be achieved; that includes matching the Academy's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which more detailed plans may be integrated.
- 4.6 The School Improvement Plan are matters for the Academy to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the ESFA.
- 4.7 Each year the Principal will propose a planning cycle and timetable to the Governing Body which allows for:
 - A review of past activities, aims and objectives - "did we get it right?"
 - Definition or redefinition of aims and objectives – "are the aims still relevant?"
 - Development of the plan and associated budgets – "how do we go forward?"
 - Implementation, monitoring and review of the plan – "who needs to do what by when to make the plan work and keep it on course" and
 - Feedback into the next planning cycle – "what worked successfully and how can we improve?"
- 4.8 The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Principal.
- 4.9 The completed School Improvement Plan will include detailed objectives for the coming academic year and outline objectives for the following year. The plan should also include the estimated resource costs, both capital and revenue, associated with each objective and success criteria against which achievement can

be measured.

- 4.10 For each objective the lead responsibility for ensuring progress is made towards the objective will be assigned to a member of the Senior Leadership Team. The member of the Senior Leadership Team should monitor performance against the defined success criteria throughout the year and provide updates at the half termly Senior Leadership Team meetings. Members of the Senior Leadership Team will report to the Governing Body if there is a significant divergence from the agreed plan and will recommend an appropriate course of action.

Annual Budget

- 4.11 The Vice Principal – School Business Manager is responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Principal, Finance and General Purposes Committee and the Full Governing Body.
- 4.12 The approved budget must be submitted to the ESFA by 31st July each year and the Vice Principal – School Business Manager is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that the submission date is met.
- 4.13 The annual budget will reflect the best estimate of the resources available to the Academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the SIP objectives and the budgeted utilisation of resources.
- 4.14 The budgetary planning process will incorporate the following elements:
- Forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable
 - Review of other income sources available to the Academy to assess the likely level of receipts
 - Review of past performance against budgets to promote an understanding of the Academy cost base;
 - Identification of potential efficiency savings and
 - Review of the main expenditure headings in light of the SIP objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes.

Balancing the Budget

- 4.15 Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are in balance, unless the 5 year plan allows for a temporary deficit to be met from reserves. If a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need. Any surplus remaining at the end of the financial year must not exceed carry forward limits set by the ESFA and the Vice Principal – School Business Manager is

responsible for being aware of these.

Finalising the Budget

- 4.16 Once the different options and scenarios have been considered, a draft budget should be prepared by the Vice Principal – School Business Manager for approval by the Principal, the Finance and General Purposes Committee and the Full Governing Body. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.
- 4.17 The budget should be accompanied by a statement of assumptions and linked to the SIP so that if circumstances change, it is easier for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

- 4.18 Monthly reports will be prepared by the Vice Principal – School Business Manager. The reports will detail actual income and expenditure against the budget both for budget holders and at a summary level for the Principal and the Finance and General Purposes Committee.
- 4.19 Any potential overspend against the budget must in the first instance be discussed with the Vice Principal – School Business Manager. The accounting system will not allow payments to be made against an overspent budget without the approval of the Vice Principal – School Business Manager.
- 4.20 The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements in excess of £30,000 must be brought to the attention of the Finance and General Purposes Committee.
- 4.21 The budget will be reviewed monthly to review income and expenditure and projected reserves at year-end.

5. Payroll

5.1 The main elements of the payroll system are:

- Staff appointments
- Payroll administration and payments
- Additional payments related to overtime, mileage claims etc

Staff Appointments

5.2 The Governing Body has approved a personnel establishment for the Academy. Changes can only be made to this establishment with the express approval in the

first instance of the Finance and General Purposes Committee who must ensure that adequate budgetary provision exists for any establishment changes.

- 5.3 The Principal has authority to appoint staff within the authorised establishment except for members of the Leadership Team and the Vice Principal – School Business Manager whose appointments must follow consultation with the Governors. The Principal maintains personnel files for all members of staff which include contracts of employment. All personnel changes must be notified, in writing, to the Vice Principal – School Business Manager immediately.

Payroll Administration

- 5.4 The Academy payroll is administered by Access Education
- 5.5 All staff are paid monthly via Access Education payroll.
- 5.6 All staff sickness and other absences are uploaded to Access Education online portal.
- 5.7 Before the payroll is processed a print of all data input is checked against source documentation by the Vice Principal – School Business Manager.

Payments

- 5.8 After the payroll has been processed but before payments are dispatched a print of salary payments by individual and showing the amount payable in total should be obtained. The print must be reviewed and authorised together with authority to release payment by the Vice Principal – School Business Manager and the Principal.
- 5.9 All salary payments are made by BACS.
- 5.10 The Vice Principal – School Business Manager should prepare a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation should be reviewed and signed by the Vice Principal – School Business Manager.
- 5.11 Strictly Education Payroll automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions.
- 5.12 The Responsible Officer or Internal Auditor should select one employee at random each month and check the calculation of gross to net pay to ensure that the payroll system is operating correctly.
- 5.13 After the payroll has been processed the nominal ledger will be automatically updated. Postings will be made both to the payroll control account and to individual cost centres. The Vice Principal – School Business Manager should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to

identify any amounts posted to the suspense account.

- 5.14 On an annual basis Vice Principal – School Business Manager must check for each member of staff that the gross pay per the payroll system agrees to the contract of employment held on the personnel file in the Principal and HR Manager's office.
- 5.15 Each member of the teaching staff is provided with a salary statement once a year. This states all pay and allowances due to all teachers at 1st September. This data is compiled by the Vice Principal – School Business Manager and each statement is signed by the Principal.

6. Purchasing

- 6.1 The Academy wants to achieve the best value for money from all our purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible. A large proportion of their purchases will be paid for with public funds and they need to maintain the integrity of these funds by following the general principles of:
 - **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Academy;
 - **Accountability**, the Academy is publicly accountable for its expenditure and the conduct of its affairs;
 - **Fairness**, that all those dealt with by the Academy are dealt with on a fair and equitable basis.

Routine Purchasing

- 6.2 Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget will be supplied to each budget holder a week after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.
- 6.3 Routine purchases up to £5,000 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Office. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the Vice Principal – School Business Manager.
- 6.4 All orders must be made, or confirmed, in writing using an official order form, stocks of which are held in the Finance Office. Orders must bear the signature of the budget holder and forwarded to the Finance Office. Orders will be processed providing there are sufficient monies available.
- 6.5 Countersigned orders are recorded in the orders placed book, allocated a reference

number and dispatched to the supplier by the Finance Assistant.

- 6.6 The Finance Assistant must make appropriate arrangements for the delivery of goods to the Academy. On receipt the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay. The GRN should then be forwarded to the Finance Office.
- 6.7 If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Office should be notified. The Finance Assistant will keep a central record of all goods returned to suppliers.
- 6.8 All invoices should be sent to the Finance Office. Invoice receipt will be recorded by the Finance Assistant on FMS. The Finance Assistant will stamp invoices with the date stamp and payment approval.
- 6.9 The invoice will then be sent to the budget holder to confirm that the goods have been received, correct price and authorise payment. Before signing the invoice the budget holder must make a detailed check against the order and the GRN and these documents must be attached to the invoice before it is sent back to the Finance Office. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.
- 6.10 If a budget holder is pursuing a query with a supplier the Finance Department must be informed of the query and periodically kept up to date with progress.
- 6.11 At the end of every month the Finance Officer will produce a report of outstanding invoices from FMS.
- 6.12 The Finance Officer will review on a weekly basis supplier credit terms and raise bacs or cheque payments according. Payments and associated paperwork must be authorised by two of the nominated signatories.
- 6.13 Cheques will be dispatched to suppliers by the Finance Assistant.
- 6.14 The Academy maintains an RBS Debit Card to assist in the purchasing of "on-line" items. Direct Debits and Standing Orders have been approved by the Principal. All procedures covering approval and payments of the above are the same as for normal purchases.

Orders over £10,000

- 6.15 At least three written quotations should be obtained for all orders over £10,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Purchases over the current OJEU threshold may fall under EU procurement rules which requires advertising in the Official Journal of the European Union.

Forms of Tenders

6.16 There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Vice Principal – School Business Manager how best to advertise for supplier's e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - There is a need to maintain a balance between the contract value and administrative costs
 - A large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Academy's requirements
 - The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - The above methods have resulted in either no or unacceptable tenders
 - Only one or very few suppliers are available
 - Extreme urgency exists
 - Additional deliveries by the existing supplier are justified

Preparation for Tender

6.17 Full consideration should be given to:

- Objective of project
- Overall requirements
- Technical skills required
- **After sales service requirements**
- Form of contract penalty clauses

6.18 It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfillment of these requirements to help reach an overall decision.

Invitation to Tender

6.19 If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

6.20 An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender and
- form of response.

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

Other Considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

6.21 The invitation to tender should state the date and time by which the completed tender document should be received by the Academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

6.22 All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as

follows:

- For contracts up to £30,000 - two of the budget holder, the Vice Principal – School Business Manager or the Principal;
- For contracts over £30,000 - either the Vice Principal – School Business Manager or the Principal plus a member of the F&GP Committee.

6.23 A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Procedures

6.24 The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

6.25 Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

6.26 Full records should be kept of all criteria used for evaluation and for contracts over £30,000 a report should be prepared for the Finance and General Purposes Committee highlighting the relevant issues and recommending a decision. For contracts under £30,000 the decision and criteria should be reported to the Finance and General Purposes Committee.

6.27 Where required by the conditions attached to a specific grant from the ESFA, the department's approval must be obtained before the acceptance of a tender.

6.28 The accepted tender should be the one that is economically most advantageous to the Academy. All parties should then be informed of the decision.

7. Income

7.1 The main sources of income for the Academy are the grants from the ESFA and LA. The receipt of these sums is monitored directly by the Vice Principal - School Business Manager who is responsible for ensuring that all grants due to the Academy are collected.

7.2 The Academy also obtains income from:

- Students, mainly for trips
- The public, mainly for sports lettings

Trips

7.3 A Lead Trip Co-ordinator must be appointed and liaise with Finance re collection of sums due. The Finance Officer will prepare a receipt for each student that has paid to go on the trip showing the amount due and amount paid. A summary of

payments will be produced at regular intervals and given to the Trip Co-ordinator.

- 7.4 Students should make payments via the Finance Office. The Finance Officer will issue a receipt confirming the amount of monies collected and record the monies against the student making the payment.
- 7.5 The Finance Officer should maintain an up to date record for each student showing the amount paid and the amount outstanding. This record should be sent to the Trip Co-ordinator on a regular basis and the Trip Co-ordinator is responsible for chasing the outstanding amounts.

Lettings

- 7.6 The Finance Officer is responsible for maintaining records of bookings of facilities and for identifying the sums due from each organization. Enquiries should be forwarded according.
- 7.7 Details of organisations using the facilities will be maintained by the Finance Officer and invoices issued on a monthly basis, unless otherwise agreed. The Finance Officer is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.
- 7.8 No debts should be written off without the express approval of the Governing Body (the ESFA's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).
- 7.9 Organisations using the facilities should be instructed to send all payments to the Finance Office.

Custody

- 7.10 Official, pre-numbered Academy receipts should be issued for all cash and cheques received where no other formal documentation exists. All cash and cheques must be kept in the Finance Office safe prior to banking. Banking should take place every week or more frequently if required.
- 7.11 Monies collected must be banked in their entirety in the appropriate bank account. The Finance Assistant is responsible for preparing reconciliations between the sums collected and checked by the Finance Officer. The sums deposited at the bank will be posted onto FMS by the Vice Principal – School Business Manager. The reconciliations must be prepared promptly after each banking and must be reviewed and certified by the Vice Principal - Business.

8. Cash Management

Bank Accounts

- 8.1 The opening of all accounts must be authorised by the Governing Body who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. The operation of systems such as Bankers Automatic Clearing

System (BACS) and other means of electronic transfer of funds must also be subject to the same level of control.

Deposits

8.2 Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

- The amount of the deposit
- Ledger and cost Centre codes
- Narrative

Payments and withdrawals

8.3 All cheques and other instruments authorising withdrawal from Academy bank accounts must bear the signatures of two of the following authorised signatories:

- Principal
- Vice Principal – School Business Manager
- Deputy Vice Principal x 2

8.4 This provision applies to all accounts, public or private, operated by or on behalf of the Governing Body of the Academy. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.

Administration

8.5 The Vice Principal – School Business Manager must ensure bank statements are received regularly and that reconciliations are performed on a weekly basis. Reconciliation procedures must ensure that:

- All bank accounts are reconciled to the Academy's cash book;
- Reconciliations are prepared by the Vice Principal - Business
- Reconciliations are subject to an independent review carried out by the Responsible Officer (RO)
- Adjustments arising are dealt with promptly.

Petty Cash Accounts

8.6 The Academy does not keep cash on the premises. Instead payments are made via BACS or cheque.

Cash Flow Forecasts

8.7 The Vice Principal – School Business Manager is responsible for preparing cash flow forecasts to ensure that the Academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds. Similarly plans should be made to transfer funds from another bank account or to re-profile GAG to cover potential cash shortages.

Investments

- 8.8 Investments must be made only in accordance with written procedures approved by the Governing Body.
- 8.9 All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

9. Fixed assets

Asset register

- 9.1 All items purchased with a value over the Academy's capitalisation limit must be entered in an asset register. The asset register should include the following information:
- Asset description
 - Asset number
 - Serial number
 - Date of acquisition
 - Asset cost
 - Source of funding (% of original cost funded from ESFA grant and % funded from other sources)
 - Expected useful economic life
 - Depreciation
 - Current book value
 - Location
 - Name of member of staff responsible for the asset
- 9.2 The Asset Register helps:
- Ensure that staff take responsibility for the safe custody of assets;
 - Enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
 - To manage the effective utilisation of assets and to plan for their replacement;
 - Help the external auditors to draw conclusions on the annual accounts and the Academy's financial system and
 - Support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of assets

- 9.3 Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.
- 9.4 All the items in the register should be permanently and visibly marked as the Academy's property and there should be a regular (at least annual) count by

someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Governing Body. Inventories of Academy property should be kept up to date and reviewed regularly. Where items are used by the Academy but do not belong to it this should be noted.

Disposals

- 9.5 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Finance and General Purposes Committee and, where significant, should be sold following competitive tender. The Academy must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.
- 9.6 Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy would need to ensure licenses for software programmes have been legally transferred to a new owner.
- 9.7 The Academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Academy assets. If the sale proceeds are not reinvested then the Academy must repay to the ESFA a proportion of the sale proceeds.
- 9.8 All disposals of land must be agreed in advance with the Secretary of State.

Loan of Assets

- 9.9 Items of Academy property must not be removed from Academy premises without the authority of the Principal. A record of the loan must be recorded in a loan book and booked back in Academy when it is returned.
- 9.10 If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Academy's auditors.

Additional Finance Documentation

Please also refer to the associated documents:

- Scheme of Delegation
- Anti-fraud and Corruption policy
- Terms of Reference for the Finance and General Purpose Committee
- Emergency Management Plan
- Risk Register
- Business Interest register
- Academies Financial Handbook (ESFA)
- Academies Accounts Direction (ESFA)